**Disputes settlement panel for pharmaceutical and agro-chemical products**

664. SHRI S.M. KRISHNA: Will the Minister of COMMERCE be pleased to state:

(a) whether it is fact that the WTO has set up a Dispute Settlement Panel (DSP) on the complaints of Euproean Union about inadequate patent protection for pharmaceutical and agro chemical products detrimental to the interest of India; if so, the implications thereof;

(b) what steps Government have taken to safeguard the country's interest in this regard; and

(c) what is the status of the Indian Patent law in this regard and whether any amendment to the laws is proposed; if so, by when?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH): (a) to (c) India has ratified the Agreement establishing the World Trade Organisation (WTO), one of the covered agreements of which is the Agreement on Trade Related Aspects of intellectual Property Rights (TRIPs). The WTO Agreement came into force with effect from 1 January 1995. The TRIPs Agreement inter alia, provides minimum standards to be adopted by Memebrs in specified areas of intellectual property. Under the dispute settlement provisions of the WTO a panel was constituted to consider a complaint by the United States of America to the effect that India has not fulfilled its obligations under Article 70.8 and 70.9 of the TRIPs Agreement, which envisages that a WTO Member who does not provide patents protection for pharmaceutical and agricultural chemical products, as on the date of entry into force of the WTO Agreement on 1 January 1995, shall provide a menas by which applications for product patents in those fields of technology can be filed and provide exclusive marketing rights subject to fulfilment of certain conditions. The European Communities were an interested third party to this dispute. India has filed an appeal in respect of certain findings of the panel, and the matter is before the Appellate Body of the WTO. In parallel, the European Communities requested the establishement of a panel at the meeting of the Dispute Settlement Body (DSB) on 25 Septemebr 1997, when it was decided not to establish it. At its second request for the establishment of the panel, the panel was automatically established on 16 October 1997. The panel process is now underway.

The Indian Patents Act, 1970, does not provide for grant of product patents, inter alia, in the field of agricultural chemicals and pharmaceuticals and also for grant of exclusive marketing rights. The Government will take appropriate decisions after the adoption of the final report of the Panel or of the Appellate Body and studying in detail the recommendations or ruling of the DSB.

**increase in trade deficit**

665. SHRI S.M. KRISHNA: Will the Minister of COMMERCE be pleased to state:

(a) whether it is a fact that the country's trade deficit has increased by 50% during first half of current financial year; if so, what was the status of deficit during corresponding period during the last three years; year-wise;

(b) reasons for increase in trade deficit; and

(c) what immediate preventive measures are being taken by Government to bridge the gap of deficit during the remaining part of the year?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH): (a) The trade deficit during first half of the current financial year (1997-98) April-Sept.) has increased by 37.6% over the corresponding period last year. The trade